

Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01
SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04
TRSE-00 CEA-01 AF-10 ARA-06 EA-07 EUR-12 NEA-10
/107 W

-----201925Z 029114/44

R 201625Z APR 77

FM USMISSION GENEVA
TO SECSTATE WASHDC 6680
INFO AMEMBASSY ROME

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 2906

ROME FOR FODAG

E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJECT: UNCTAD: FIRST PREPARATORY MEETING ON TROPICAL TIMBER AND
ESTABLISHMENT OF INTERNATIONAL TROPICAL TIMBER BUREAU

REF: (A) STATE 7728, (B) 76 GENEVA 9579, (C) HEWITT-STREB
LETTER OF MARCH 24

1. MISSION OFFICER HAS HAD PRELIMINARY DISCUSSIONS OF UNCTAD PLANS FOR SUBJECT MEETING WITH ADAMS OF SECRETARIAT AND TUEVO LEHTI, AN FAO OFFICIAL ON ASSIGNMENT TO UNCTAD GENEVA. SECRETARIAT HAS HAD PAPER ON TROPICAL TIMBER UNDER PREPARATION FOR SOME TIME BUT BOTH ADAMS AND LEHTI ARE EVASIVE ON DETAILS. ADAMS HOPES TO HAVE PAPER CLEARED BY END OF THIS WEEK BUT GIVEN PAST EXPERIENCE MISSION HAS NO HIGH HOPES. THEREFORE MISSION ASKED FOR A COPY AS SOON AS IT IS CLEARED WITHOUT AWAITING PUBLICATION IN DOCUMENT FORM. ADAMS WOULD MAKE NO COMMITMENT BUT MISSION STRESSED STRONGLY THAT U.S. WOULD BE SERIOUSLY HAMPERED IN DEVELOPING A POSITION IF THIS DOCUMENT IS DELAYED.

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2. PAPER'S GENERAL OUTLINE COVERS OBJECTIVES OF THE IPC, BACKGROUND AND PROBLEMS IN PRODUCTION AND TRADE OF TROPICAL TIMBER AND MANUFACTURES, AND SOME POSSIBLE WAYS TO DEAL WITH THESE PROBLEMS IN CONTEXT OF THE IPC. PAPER HAS BEEN PREPARED PRIMARILY BY TWO ADVISERS FROM FAO, ONE OF WHOM IS RETIRED AFTER HAVING SPENT MANY YEARS IN FORESTRY DEPARTMENT OF FAO.

LEHTI INDICATED HE FELT EARLIER DRAFTS HE HAD SEEN WERE VERY THOROUGH AND WELL DONE BUT EXPRESSED IGNORANCE ABOUT PAPER'S STATUS AS IT MOVES UP THE CHAIN OF COMMAND. HE INDICATED TWO KEY PROBLEM AREAS DEALT WITH ARE MARKET ACCESS AND LOSS OF OVER 50 PERCENT OF TIMBER IN PRODUCTION PROCESS IN LDCS. IN HIS OPINION THE EXERCISE IS WORTH- WHILE IF FOR NO OTHER REASON THAN TO PROVIDE A COMPREHENSIVE REVIEW OF PROBLEMS WHICH MOST LDCS HAVE NOT EVEN BEEN AWARE OF.

3. ADAMS INDICATED HE INTENDED TO HAVE DISCUSSIONS WITH A FEW LEADING PRODUCERS BEFORE PAPER IS FINALIZED. HOWEVER, LEHTI UNDERSTOOD THAT WHILE SECRETARIAT HAD HOPED TO HOLD CONSULTATIONS WITH BOTH KEY PRODUCERS AND CONSUMERS, TIME HAD NOT PERMITTED AND PAPER WOULD BE SOLELY AN UNCTAD-FAO PRODUCT.

4. MISSION OFFICER ALSO QUERIED LEHTI REGARDING ESTABLISHMENT BY THE ITC OF INTERNATIONAL TROPICAL TIMBER BUREAU (ITTB). HE HAD NO FEELING FOR PROBABILITY OF ITTB BEING ESTABLISHED BUT INDICATED IT WAS GENERALLY FELT IN SECRETARIAT THAT IF ITTB WERE ESTABLISHED, IT COULD EVENTUALLY BE ABSORBED IN A TIMBER AGREEMENT MUCH LIKE JUTE INTERNATIONAL COULD BE BROUGHT UNDER A JUTE AGREEMENT. COMMENT: OF COURSE, PROPOSED ROLE OF ITTB IS DISSEMINATION OF MARKET INFORMATION AND MARKET PROMOTION AND THIS WOULD CONSTITUTE ONLY ONE ASPECT OF TIMBER AGREEMENT. ITTB COULD CONTINUE TO FUNCTION ENTIRELY SEPARATELY AND TALK OF INCORPORATING ITTB INTO TIMBER LIMITED OFFICIAL USE

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AGREEMENT PROBABLY STEMS FROM HOPE THAT A SECOND WINDOW IN A COMMON FUND COULD BE USED TO HELP FINANCE THIS ACTIVITY.

5. MISSION OFFICER SUBSEQUENTLY DISCUSSED ITTB WITH AUSTIN HATT-ARNOLD, CHIEF, MARKET DEVELOPMENT SERVICE FOR AGRICULTURAL PRODUCTS AND TERENCE HPAY, SENIOR MARKETING ADVISOR OF UNCTAD/ITC, RAISING SPECIFIC QUESTIONS SUGGESTED IN REF. B. MR. HPAY INDICATED HE TOO PLAYED A ROLE IN DEVELOPMENT OF UNCTAD PAPER AND ADVISED IT WOULD BE A GOOD ASSUMPTION THAT MUCH OF FOCUS WILL BE ON PRICING PROBLEMS. FURTHER HE EXPRESSED SURPRISE AT STATEMENTS ON CONSULTATIONS WITH PRODUCERS (SEE PARA 3 ABOVE) BECAUSE AT THIS MOMENT THERE IS AN UNCTAD PRODUCERS' SEMINAR ON TROPICAL TIMBER TAKING PLACE IN ABIDJAN AND ONE SCHEDULED FOR NEXT WEEK IN JAKARTA. WE CAN THUS ASSUME PAPER WILL NOT BE READY UNTIL AFTER THESE MEETINGS.

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INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01
SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00
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ROME FOR FODAG

6. REGARDING QUESTIONS IN REF. B, DEFINITIONS CONTAINED
IN ITC DOCUMENT TT/CONF/1 STILL PERTAIN.

A) DEFINITION OF TROPICAL TIMBER: PARA 23 CURRENTLY
LIMITS DEFINITION TO BROADLEAVED SPECIES AS SPELLED OUT
IN ARTICLE 2 OF DRAFT AGREEMENT. SINCE INITIAL CONCERN
WITH INCLUDING CONIFIERS RELATED TO POSSIBILITY OF
HIGHER COSTS FOR ITTB, ITC SOUGHT ADVICE OF EXPERT WHO
CONCLUDED ADDITIONAL COST NOT IMPORTANT FACTOR. FAO
FEELS NEGLIGIBLE TRADE IN CONIFIERS DOES NOT WARRANT
THEIR INCLUSION BUT BRAZIL CAN BE EXPECTED TO KEEP ISSUE
ALIVE AS THEY ARE PRODUCER PRIMARILY INTERESTED, AND
COULD EVENTUALLY WIN ON THIS ONE.

B) MEMBERSHIP: FULL MEMBERSHIP IS LIMITED ONLY TO
COUNTRIES GROWING TROPICAL TIMBER WHO ARE LISTED IN
ANNEX I, PAGE 14. THUS, IMPORTERS WHO PROCESS TROPICAL
TIMBER AND EXPORT PLYWOOD, SUCH AS SINGAPORE, ARE ELIGIBLE
ONLY FOR ASSOCIATE MEMBERSHIP. WHILE VOTING ITSELF IS
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ONE OF THE OUTSTANDING ISSUES TO BE RESOLVED, VOTING
RIGHTS ARE CURRENTLY RESERVED FOR FULL MEMBERS AND NO
CHANGE IS ANTICIPATED.

C) DATE OF NEXT CONFERENCE: ITC PLANNING FOR LATE
OCTOBER OR EARLY NOVEMBER.

7. LEADERSHIP THUS FAR HAS BEEN WIDESPREAD AMONG ALL
MAJOR PRODUCERS: AFRICA - IVORY COAST AND GABON BUT
WITH LIBERIA AND NIGERIA ALSO QUITE VOCAL; ASIA -
INDONESIA, MALAYSIA AND PHILIPPINES; LA - BRAZIL. SOME
ASSUME ALATAS OF INDONESIA WHO WAS PRINCIPAL SPOKESMAN
FOR G-77 DURING CF NEGOTIATING CONFERENCE MIGHT ALSO
PLAY IMPORTANT ROLE IN TROPICAL TIMBER MEETING BUT IT
IS NOT CLEAR HE WILL BE AS ACTIVE IN ESTABLISHMENT OF
ITTB. MISSION WILL SEEK OUT OTHER VIEWS ON THIS QUESTION
OVER NEXT FEW WEEKS. SORENSEN

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Message Attributes

Automatic Decaptoning: X
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Disposition Approved on Date:
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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